



Republic of the Philippines
Supreme Court
 Manila

SUPREME COURT OF THE PHILIPPINES
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 MAR 04 2022
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 TIME: 2:00

FIRST DIVISION

VINES REALTY CORPORATION,

G.R. No. 224610

Petitioner, Members:

GESMUNDO, C.J., *Chairperson,*
 CAGUIOA,
 LAZARO-JAVIER,
 LOPEZ, M.,* and
 LOPEZ, J., JJ.

-versus-

RODEL RET,

Promulgated:

Respondent.

OCT 13 2021

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DECISION

LAZARO-JAVIER, J.:

The Case

Petitioner Vines Realty Corporation (VRC) assails the **Decision**¹ dated July 3, 2015, and **Resolution**² dated May 12, 2016, of the Court of Appeals in CA-G.R. SP No. 130895 which ordered the Office of the Solicitor General (OSG) to review and reinvestigate the case for possible reversion proceedings on the subject property.

Antecedents

The subject property originally formed part of a 144.62 hectares land situated in Jose Panganiban, Camarines Norte. The San Mauricio Mining

* On official leave.

¹ Penned by Associate Justice Apolinario D. Bruselas, Jr. and concurred in by Associate Justices Danton Q. Bueser and Pedro B. Corales, *rollo*, pp. 59-76.

² *Id.* at 77-79.

Company (SMMC) had twenty (20) mineral claims on the property.³ By Deed of Absolute Sale dated November 19, 1957, SMMC transferred its surface rights in favor of National Shipyards and Steel Corporation (NASSCO), a government-owned and controlled corporation.

By Proclamation No. 500, Series of 1968,⁴ then President Ferdinand E. Marcos (President Marcos) reserved 170.2890 hectares of land, including the subject property as site for NASSCO's pier, warehouse, and smelting plant in Jose Panganiban, Camarines Norte.

On December 6, 1975, former President Marcos further issued Presidential Decree No. 837 (PD 837) transferring ownership of the entire 170.2890 hectares to the name of NASSCO, thus:

PRESIDENTIAL DECREE NO. 837

AN ACT TRANSFERRING OWNERSHIP OF A CERTAIN PARCEL OF LAND OF THE PUBLIC DOMAIN SITUATED IN THE MUNICIPALITY OF JOSE PANGANIBAN, PROVINCE OF CAMARINES NORTE, ISLAND OF LUZON TO THE NATIONAL SHIPYARDS AND STEEL CORPORATION (NASSCO) AND AUTHORIZING THE DISPOSITION THEREOF

WHEREAS, in pursuance of the national policy of allowing the private sector to take over enterprises pioneered by the government when the private sector is ready and capable to continue and improve a particular government endeavor and in the interest of the National government, various government performance evaluation and/or study groups have recommended the disposition of all NASSCO properties and units, including the Jose Panganiban Smelting Plant at Jose Panganiban, Camarines Norte;

WHEREAS, under Proclamation No. 500 dated December 23, 1968, a parcel of land situated in the Municipality of Jose Panganiban, Province of Camarines Norte, Island of Luzon[,] Bounded on the W[est], along lines 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16, by Mambulao Bay; on the N[orth], along lines 16-17-18-19-20-21, by Forest Reserve; and on the E[ast] and S[outh], along lines 21-22-23-24-25-26-27-1 by project No. 2, Block VI (Alien & Disp.) LC-403, containing an area of approximately 170.2890 hectares, more or less, has been withdrawn from sale and settlement and reserved for pier, warehouse[,] and smelting plant site purposes under the administration of the NASSCO;

WHEREAS, as mandated under Republic Act 1396, NASSCO constructed, established [,] and operated in said site a big iron smelting plant with pier and other plant facilities known as the Jose Panganiban Smelting Plant;

³ Pursuant to the United States Congress Act of July 1, 1902 or The Philippine Organic Act of 1902.

⁴ Proclamation No. 500, Series of 1968, Reserving for Pier, Warehouse and Smelting Plant Site Purposes for the National Shipyards and Steel Corporation a Certain Parcel of Land of the Public Domain situated in the Municipality of Jose Panganiban, Province of Camarines Norte, Island of Luzon, Signed on December 23, 1968. <https://www.officialgazette.gov.ph/1968/12/23/proclamation-no-500-s-1968-2/> <Accessed: Saturday, October 2, 2021, 9:43am>

WHEREAS, in order to facilitate the disposition of all assets of NASSCO including the Jose Panganiban Smelting Plant, there is a need to transfer ownership of said parcel of land to the NASSCO;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, hereby decree as follows:

SECTION 1. The title to and ownership of that certain parcel of land, situated in the Municipality of Jose Panganiban, Province of Camarines Norte, Island of Luzon, bounded on the W[est], along lines 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16, by Mambulao Bay; on the N[orth], along lines 16-17-18-19-20-21, by Forest Reserve; and on the E[ast] and S[outh], along lines 21-22-23-24-25-26-27-1; by project No. 2, Block VI (Alien & Disp.) LC-403, containing an area of approximately 170.2890 hectares, is hereby transferred to and vested in the NASSCO.

SECTION 2. The said parcel of land herein conveyed shall be resurveyed by the Bureau of Lands within fifteen (15) days from the promulgation of this Decree to ascertain its actual location and boundaries. Thereafter, the proper Register of Deeds shall register the same and issue the corresponding certificate of title to the NASSCO.

SECTION 3. Any provision of law, proclamation, ordinance, rules[,] and regulations to the contrary notwithstanding, the NASSCO may transfer absolute ownership of said parcel of land or any portion thereof and convey the same to persons or corporations qualified to acquire land under the Constitution, either through public bidding or through negotiations, as the interest of the government warrants.

SECTION 4. All laws, executive orders, proclamation, rules[,] and regulations or part thereof inconsistent with this Decree are hereby repealed and/or modified accordingly.

SECTION 5. This Decree shall take effect immediately.

DONE in the City of Manila this 6th day of December, in the year of Our Lord, Nineteen Hundred and Seventy-Five.

Original Certificate of Title (OCT) No. 0-440 was thus issued in favor of NASSCO.

Barely three (3) weeks later, by Deed of Sale dated December 29, 1975, NASSCO sold the land to Philippine Smelters Corporation (PSC), a private corporation chaired by Jose T. Marcelo, Jr. (Marcelo). By virtue thereof, the land was titled in the name of PSC under Transfer Certificate of Title (TCT) No. 13060, later subdivided into TCT Nos. 13502 to 13521.

Claiming to have retained its mining rights over the property despite the earlier sale of its surface rights to NASSCO, PSC's predecessor in interest, SMMC caused the annotation of an adverse claim on OCT No. 0-440, which got carried over to subsequent titles. Thus, in 1977, PSC filed with the then Court of First Instance (CFI) – Camarines Norte Civil Case No. 2882, entitled

“*Phil. Smelters Corp., plaintiff v. San Mauricio Mining Co., and Marsman & Co., Inc. third party plaintiffs v. NASSCO, et. al.*,” for quieting of title. PSC specifically prayed for the “Removal of Cloud over [its] Torrens Certificates of Title, and Declaration of Nullity of Adverse Claim and Damages.”

After due proceedings, CFI-Branch III rendered judgment, ordering the cancellation of SMMC’s adverse claim, declaring PSC as the true and absolute owner of the land, and awarding the possession of the land, including the surface rights thereon to PSC. In G.R. Nos. L-47859 & L-57132, entitled *SMMC v. Ancheta*⁵ (*San Mauricio*), the Court affirmed the ruling under Decision dated July 10, 1981. The Court held that SMMC no longer had any vested right in the property since NASSCO already sold the land to PSC. The aforesaid decision had long become final and executory.

In 1986, PSC closed its operations after Marcelo suffered a heart attack and moved to the United States. Consequently, PSC creditors Development Bank of the Philippines (DBP), PISO Bank, and Conrad C. Leviste (Leviste) of petitioner VRC – went after the assets of PSC to satisfy their respective claims.⁶

For its part, petitioner, through Leviste, initiated Civil Case No. 5703 against PSC and obtained a favorable money judgment which got executed over a portion of the 170.2890 hectares property. On April 25, 1990, petitioner purchased the additional portions of the property at a public auction sale. Petitioner, thus, eventually became the owner of 93 hectares of the original 170.2890 hectares property.⁷

Thereafter, petitioner applied for and was granted writs of possession and demolition against the informal settlers occupying these portions. The Court of Appeals subsequently affirmed with finality.⁸

⁵ 192 Phil. 624, 678 (1981).

WHEREFORE, judgment is hereby rendered affirming the decision of the trial court dated August 21, 1979, subject to the qualifications stated in the above opinion as to the de los Santos’ and the Bambas’ properties and the additional damages asked by appellees. With this decision, the petition in G.R. No. L-47859 involving the partial summary judgment of September 22, 1975, is now virtually moot and academic, since the partial judgment and immediate execution therein involved are in line with the foregoing opinion. Costs against appellants.

⁶ DBP attached and foreclosed a mortgage over the PSC Panganiban Plant and the land on which it stood consisting of about 110 hectares. The said 110 hectares, however, were transferred to the Asset Privatization Trust (APT), since at that time all assets of the Government Financing Institutions were ordered transferred to APT. The land, later on, went to the Department of Agrarian Reform (DAR) and the latter awarded the same to deserving beneficiaries thru the issuance of Certificates of Land Ownership Awards (CLOA). The plant was thereafter scrapped and those properties that were not within the coverage of the Comprehensive Agrarian Reform Program (CARP) went back to APT. Meanwhile, PISO Bank attached and foreclosed a portion of the land covering about 25 hectares. The said 25 hectares were assigned by PSC to Jose Panganiban Ice Plant (JPIP), a subsidiary of PSC, in exchange for shares of stocks of JPIP. The latter, in turn, borrowed money from PISO Bank in the amount of ₱2,000,000.00 and mortgaged it to PISO Bank, *id.* at 63.

⁷ Under TCT Nos. 29718-58, 29759-96, 29814, and 29839, *id.* at 98.

⁸ The decision of the Court of Appeals in CA-G.R. SP No. 29633 attained finality on May 20, 1993, *id.* at 64.

But the informal settlers remained adamant. This time, claiming to be tenants of the property, they sought relief from the Department of Agrarian Reform Adjudication Board (DARAB) - Region V in Legaspi City through DARAB Case No. 119-CN. The complaint was, nonetheless dismissed on two grounds: first, for lack of merit, and second, on ground of *res judicata*.⁹

Meantime, the enforcement of the writs of possession and demolition was suspended upon the request of the Municipal Mayor and *Sangguniang Bayan* of Jose Panganiban. But on December 11, 1992, *alias writs* of possession and demolition were issued only to be halted again, still at the instance of the informal settlers and the local government officials. Hence, petitioner charged the informal settlers with indirect contempt. Both the trial court and the Court of Appeals gave affirmative relief to petitioner and cited the informal settlers for indirect contempt.¹⁰

By Letter dated April 7, 1999, the informal settlers, otherwise known as the residents of *Barangay* Bagongbayan, Jose Panganiban, Camarines Norte, through their leader, herein respondent Rodel Ret, along with others (respondent *et al.*), wrote then Governor Emmanuel B. Pimentel to cause an investigation on the issuance of OCT No. 0-440 which they claimed was tainted with fraud. They, too, asserted that most of the residents of Bagongbayan have been in physical possession of different portions of the land even before World War II. Together with the local government, they had introduced improvements thereon, including public streets, town plaza, chapel, public school, *barangay* hall, and public and private cemeteries. These improvements are now covered by OCT No. 0-440 and its derivative titles all in the name of petitioner.

After several endorsements, the letter ended up with then Secretary Antonio Cerilles of the Department of Environment and Natural Resources (DENR) who, by Memorandum dated September 15, 1999, ordered the City Environment & Natural Resources Office (CENRO) of Daet, Camarines Norte to conduct the desired investigation and submit its report and recommendation.

It was Land Management Officer (LMO) III Fortunata Z. Hemady (Hemady) who got tasked to do the initial investigation and submit the required Report and Recommendation, which she promptly complied with. Under her Report and Recommendation dated November 6, 2000, addressed to CENRO, she recommended the filing of reversion proceedings on the entire 170 hectares land in view of certain alleged irregularities pertaining to the acquisition of title or titles thereto by PSC. The CENRO and Provincial

⁹ Group of George Daclitan, including Alberto "Boy" Manait claiming to be farmers on the subject land, brought the matter to the Department of Agrarian Reform Adjudication Board (DARAB), Region V, Legaspi City, denominated as DARAB Case No. 119-CN. The DARAB dismissed their complaint for lack of merit and *res judicata*, *id.*

¹⁰ The decision of the Court of Appeals in CA-G.R. No. 14841 became final and executory on March 19, 1996, *id.* at 65.

Environment & Natural Resources Office (PENRO) – Camarines Norte¹¹ favorably endorsed the report to DENR-Region V. By Memorandum dated June 4, 2001, however, Regional Executive Director Oscar Hamada (Director Hamada), citing *San Mauricio*, reversed the recommendation on the ground of *res judicata*.¹²

Undaunted, respondent *et al.*, filed with the Office of the President (OP) a Letter-Complaint dated April 25, 2004, to compel the DENR to render an early resolution of their land problem.¹³ Acting thereon, the OP referred the Letter-Complaint to the DENR, which in turn, directed petitioner to comment thereon. Through its Comment/Opposition dated May 16, 2007, petitioner asserted that since it bought the subject property at public auction, it ought to be protected as a purchaser for value in good faith.

Meantime, on May 6, 2016, the DENR issued a *status quo ante* order and directed petitioner to allow Bagongbayan residents to use the ingress and egress at the pier as previously practiced.

Rulings of the DENR Secretary

In DENR Case No. 8490,¹⁴ then DENR Secretary Jose L. Atienza, Jr. rendered his Decision¹⁵ dated February 12, 2008, dismissing the complaint for lack of merit and lifting the *status quo ante*, *viz.*:

WHEREFORE, PREMISES CONSIDERED, the letter-complaint dated April 25, 2004[,] filed by Kgd. Rodel T. Ret, Alberto C. Manait, et al., is hereby **DISMISSED** for lack of merit and the *status quo ante* earlier issued is **LIFTED**.

SO ORDERED.¹⁶

He ruled that there was no irregularity in the issuance of OCT No. 0-440 and its derivative titles. He pointed to the San Mauricio case which upheld the decision of the trial court on the legality of the sale, transfer, and conveyance of the property by SMMC to NASSCO, the predecessor in interest of PSC.

¹¹ As endorsed by DENR-PENRO Officer Pelusio R. Celzo, *id.* at 86.

¹² *Supra* note 5.

¹³ As endorsed by Undersecretary Mario K. Espinosa, Presidential Assistant for Bicol and Manuel B. Gaité, Acting Deputy Secretary, *id.* at 105.

¹⁴ In Re: Letter-Complaint filed by Kgd. Rodel R. Ret, Alberto C. Manait, *et al.*, for Reversion of OCT No. 0-440 involving a parcel of land, located in Bagongbayan, Jose Panganiban, Camarines Norte, *id.* at 125-127.

¹⁵ *Id.* 114-124.

¹⁶ *Id.* at 124.

He further referred to the consistent rulings of the different government agencies and courts of law upholding OCT No. 0-440 and its subsequent TCTs. These rulings constituted *res judicata* to the present case.

The DENR Secretary denied reconsideration under Order¹⁷ dated July 31, 2009.

Rulings of the Office of the President

On appeal *via* O.P. Case No. 09-H-422,¹⁸ the OP, by Decision¹⁹ dated May 13, 2011, dismissed the appeal of respondent *et al.*, for lack of cause of action. The OP ruled that respondent *et al.*, are not proper parties-in-interest since they themselves asserted that the subject property was in fact part of the public domain. Hence, it is the OSG alone which may file a complaint for cancellation and reversion of the property on behalf of the Republic upon recommendation of the Land Management Bureau (LMB) or DENR. But it appears that the DENR already dismissed the complaint; there was, therefore, no basis for the OSG to initiate reversion proceedings and seek the cancellation of OCT No. 0-440 and its derivative titles.

By Resolution²⁰ dated May 22, 2013, the OP denied the motion for reconsideration of respondent, *et al.*, and remanded the case to the DENR for proper disposition.

Proceedings before the Court of Appeals

On further petition for review under Rule 43 of the Rules of Court, respondent alone faulted the OP for ruling that he and his co-complainants lacked a cause of action to seek the reversion proceeding on the property. He asserted that both the CENRO and PENRO actually endorsed Hemady's Investigation Report dated November 6, 2000, which found that OCT No. 0-440 and its derivative titles had been irregularly issued. Too, the dismissal of the complaint based on *res judicata* was improper since reversion is an entirely different matter from the earlier cases filed.

While respondent agreed with the OP that there should be a recommendation from the DENR before the OSG can initiate reversion proceedings, the OP may nevertheless review the DENR's findings here and accordingly direct the OSG to file the necessary complaint or petition. Its refusal to review the dispositions of the DENR was a gross abdication of its duty to exercise control and supervision over the Executive Branch.²¹

¹⁷ *Id.* at 134-137.

¹⁸ *Id.* at 125-127.

¹⁹ *Id.* at 138-143.

²⁰ *Id.* at 144-146.

²¹ *Id.* at 67-70.

4

Petitioner defended the decision of the OP.²²

Dispositions of the Court of Appeals

By **Decision**²³ dated July 3, 2015, in CA-G.R. SP No. 130895, the Court of Appeals granted the petition and ordered the OSG to review and reinvestigate the case for possible reversion proceedings, thus:

WHEREFORE, the petition is **GRANTED**. The assailed decision and resolution of the Office of the President are **REVERSED** and **SET ASIDE**.

Let a new one be entered directing the Solicitor General to review and reinvestigate the factual underpinnings of this case with the end-in-view of a reversion proceedings, if it be so warranted.

IT IS SO ORDERED.²⁴

It held that the OP failed to consider Hemady's Investigation Report dated November 6, 2000, which noted certain irregularities in PSC's acquisition of title and recommended the filing of reversion proceedings on the land, *viz.*:

"a) Register of Deeds issued TCT No. 13060 to Phil. Smelter Corporation, covering 261 parcels of land with an area of 230.2893 Has., the area of which does not conform with the Survey Plan and PD 837, and the issuance of this TCT-13060 in favor of Phil. Smelter, was made despite the lack of Presidential approval as required in the Deed of Sale (ANNEXES F & G)

b) This TCT No. 13060 of Phil. Smelter Corporation covers Lot 1 to 261, Rs-05-000001, wherein several of these lots are foreshore lands, more particularly lots in Sheets 2, 3, 4, 5 & 9 especially Lot 260, Rs-05-000001 which is a subject of FLA (V-5) 99, which area are still underwater as verified by the undersigned during the ocular inspection on August 8, 2000."²⁵ (Underlining in the original)

x x x x

"WHEREFORE, in view of all the foregoing facts, the undersigned arrived at a conclusion that the issuance of OCT No. 0-440 and its succeeding TCT's are irregular, it appearing that the objective in the issuance of PD 837 particularly wherein the private sector is ready and capable to continue and improve a particular government endeavor and in the interest of the national government did not materialized [sic], instead, the property was used as collateral in a loan from the bank for their own personal interest, it appearing that Philippine Smelter Corporation closed its operations for

²² *Id.* at 170-188.

²³ *Id.* at 59-76.

²⁴ *Id.* at 75-76.

²⁵ *Id.* at 71-72.

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many years. Besides, the area appearing in the titles does not conform with the technical description as contained in Presidential Proclamation No. 500 which was confirmed by PD 837, and even the foreshore areas were issued titles particularly from Lot 1 to Lot 260, Rs-05-000001, wherein under the provisions of Commonwealth Act 141, Sec 59 shall be dispensed to private parties by lease only and not otherwise, hence, my recommendation that OCT No. 0-440 and its succeeding TCTs be cancelled, and the land subject matter thereto be reverted to the mass of public domain and be disposed under the provisions of Commonwealth Act 141, as amended.”²⁶ (Emphases, italics, and underlining not ours)

x x x x

The Court of Appeals zeroed in on some alleged discrepancies concerning the measurement of petitioner’s supposed property, the technical descriptions of the subject lots *vis-a-vis* the survey plan, and the classification of the subject lots being foreshore lands which may only be disposed of to private parties by lease. According to the Court of Appeals, these matters should have alerted the DENR, more so, the OP to take a second hard look at the complaint and direct the OSG to conduct further investigation for the purpose of determining whether the subject lots are indeed covered by the ruling in *San Mauricio*. Only then could it be determined whether there is an identity of subject matter and causes of action, and consequently, whether the complaint of respondent and his co-complainants was indeed dismissible on the ground of *res judicata*.

At any rate, *San Mauricio* merely settled PSC’s ownership of the 170.2890 hectares of land in OCT No. 0-440; it did not involve the reversion of OCT No. 0-440 for having encroached upon foreshore lands and lands for public use, and for being beyond the area indicated in both Proclamation No. 500 and PD 837.

Finally, the lack of recommendation or endorsement from the DENR to the OSG to file reversion should not have prevented the OP from directing the OSG to conduct a further investigation on the matter. Considerations of public interest and social justice should prevail over technicalities of law as thousands of people stand to be displaced by the dispositions of the DENR. A town plaza, chapel, school, *barangay* hall, public streets, and cemetery would accrue in favor of petitioner if the concept of *res judicata* is hastily applied.

In **Resolution**²⁷ dated May 12, 2016, the Court of Appeals denied petitioner’s motion for reconsideration.

²⁶ *Id.*

²⁷ *Id.* at 77-79.

The Present Petition

Petitioner now seeks to reverse and set aside the dispositions of the Court of Appeals. It faults the Court of Appeals for heavily relying on Hemady's Investigation Report dated November 6, 2000, although her findings were already rejected by her superior Director Hamada in his Memorandum dated June 4, 2001. It, too, repleads the decision of the OP that the OSG cannot pursue reversion proceedings, *sans a* recommendation from the LMB or DENR. At any rate, respondent's claim is already barred by *res judicata*.

In his Comment/Opposition,²⁸ respondent ripostes that there is no reason to reverse the dispositions of the Court of Appeals. The alleged Memorandum dated June 4, 2001 of Director Hamada, was never raised in the proceedings before the Court of Appeals and should not be considered for the first time on appeal before the Court. Even if it is considered, the totality of facts would still support the conclusions of the Court of Appeals.

The parties thereafter filed their respective Reply²⁹ and briefs.³⁰

Our Ruling

We grant the petition.

***The OSG may not initiate reversion proceedings,
sans the recommendation of the LMB or DENR***

Reversion proceeding is the manner through which the State seeks to revert land to the mass of the public domain; it is proper when public land is fraudulently awarded and disposed of in favor of private individuals or corporations, or when a person obtains a title under the Public Land Act which includes, by oversight, lands which cannot be registered under the Torrens system as they form part of the public domain.³¹

Under Section 101 of Commonwealth Act No. 141 (CA 141), the *Public Land Act*, it is the OSG alone which may file a complaint for reversion of property in behalf of the Republic, thus:

SEC. 101. All actions for the reversion to the Government of lands of the public domain or improvements thereon shall be **instituted by the Solicitor General** or the officer acting in his stead, in the proper courts, in the name of the Republic of the Philippines.

²⁸ *Id.* at 313-319.

²⁹ *Id.* at 320-336.

³⁰ Petitioner's Memorandum, *id.* at 394-422; Respondent's Memorandum, *id.* at 442-451.

³¹ See *Republic v. Espinosa*, 808 Phil. 408, 417 (2017).

x x x x

Corollarily, Section 13, Chapter 4, Title I, Book III of Executive Order No. 292, Series of 1987, the *Administrative Code of 1987*, ordains that only the President may compel the OSG to institute reversion proceedings:

SECTION 13. Power to Direct Escheat or Reversion Proceedings. – The President shall direct the Solicitor General to institute escheat or reversion proceedings over all lands transferred or assigned to persons disqualified under the Constitution to acquire land.

x x x x

This power of the President to direct the OSG to institute reversion proceedings is part of the President's executive control and supervision under Section 17, Article VII of the Constitution which unequivocally states:

SECTION 17. The President shall have control of all the executive departments, bureaus, and offices. He shall ensure that the laws be faithfully executed.

x x x x

As a matter of procedural and administrative policy, though, the President directs the OSG to file a complaint for cancellation and reversion of property only upon recommendation of the LMB or DENR.

This executive policy is not without basis.

In *Republic v. The Heirs of Meynardo Cabrera*,³² the Court decreed that **the State bears the burden to prove** that the land previously decreed or adjudicated in favor of the defendant constitutes land which cannot be owned by private individuals. This is owed to the nature of reversion proceedings, the outcome of which may upset the stability of registered titles through the cancellation of the original title and others that emanate from it. This is also consistent with the rule that the burden of proof rests on the party who, as determined by the pleadings or the nature of the case, asserts the affirmative of an issue.

Indeed, the nature of reversion proceedings puts the *onus probandi* on the State. In order to ensure that the State would be able to discharge this burden, the LMB or DENR first determines whether there is ground to file a case for reversion and whether the State has sufficient evidence to prove its claim. Without a recommendation and evidentiary documentation from LMB

³² 820 Phil. 771, 784 (2017).

and DENR, the OSG could not possibly prosecute its case for reversion; it would not be able to discharge its burden of proof.

Here, respondent wanted the DENR to investigate the circumstances surrounding the issuance of OCT No. 0-440 on allegations of fraud. But the DENR dismissed their letter complaint upon its finding that no legal basis existed for the OSG to initiate reversion proceedings and seek the cancellation of OCT No. 0-440 and its derivative titles. It ruled that *San Mauricio* operates as *res judicata* to any reversion proceeding the OSG may file. This ruling was affirmed by the OP. In other words, the requisite recommendation to file the reversion case was not forthcoming. Without it, the OSG cannot be compelled to file a complaint for reversion, lest it violates Section 101 of CA 141.

The Court cannot encroach on the executive prerogative to determine whether to file a reversion case

In reversing the dispositions of the OP, the Court of Appeals held that *res judicata* was inapplicable as there was no identity of cause of action and subject matter between *San Mauricio* and respondents sought after the complaint for reversion. Hence, it directed the OSG to conduct its own investigation on the matter for a possible filing of reversion proceeding.

But whether the DENR and the OP correctly invoked *res judicata*, and whether fraud attended the issuance of OCT No. 0-440 for that matter, are beside the point. The OP already found it wise **not** to direct the OSG to file reversion proceedings over the subject property. Who are we to convince, much less, compel it to do otherwise?

In *PSALM v. CIR*,³³ the Court ruled that the power of control vested by the Constitution in the President cannot be diminished by the Legislature, nor intruded upon by the Judiciary, thus:

x x x In *Carpio v. Executive Secretary*,³⁴ the Court expounded on the *President's control* over all the executive departments, bureaus and offices, thus:

This presidential power of control over the executive branch of government extends over all executive officers from Cabinet Secretary to the lowliest clerk and has been held by us, in the landmark case of *Mondano vs. Silvosa*, to mean "the power of [the President] to alter or modify or nullify or set aside what a subordinate officer had done in the performance of his duties and to substitute the judgment of the former with that of the latter. It is said to be at the very "heart of the meaning of Chief Executive."

³³ 815 Phil. 966, 998 (2017).

³⁴ 283 Phil. 196, 204-205 (1992).

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Equally well accepted, as a corollary rule to the control powers of the President, is the "Doctrine of Qualified Political Agency." *As the President cannot be expected to exercise his control powers all at the same time and in person, he will have to delegate some of them to his Cabinet members.*

Under this doctrine, which recognizes the establishment of a single executive, "all executive and administrative organizations are adjuncts of the Executive Department, the heads of the various executive departments are assistants and agents of the Chief Executive, and, except in cases where the Chief Executive is required by the Constitution or law to act in person on the exigencies of the situation demand that he act personally, the multifarious executive and administrative functions of the Chief Executive are performed by and through the executive departments, and the acts of the Secretaries of such departments, performed and promulgated in the regular course of business, are, unless disapproved or reprobated by the Chief Executive[,] presumptively the acts of the Chief Executive."

Thus, and in short, "*the President's power of control is directly exercised by him over the members of the Cabinet who, in turn, and by his authority, control the bureaus and other offices under their respective jurisdictions in the executive department.*"

*This power of control vested by the Constitution in the President cannot be diminished by law. As held in *Rufino v. Endriga*,³⁵ Congress cannot by law deprive the President of his power of control, thus:*

The Legislature cannot validly enact a law that puts a government office in the Executive branch outside the control of the President in the guise of insulating that office from politics or making it independent. If the office is part of the Executive branch, it must remain subject to the control of the President. Otherwise, the Legislature can deprive the President of his constitutional power of control over "all the executive x x x offices." *If the Legislature can do this with the Executive branch, then the Legislature can also deal a similar blow to the Judicial branch by enacting a law putting decisions of certain lower courts beyond the review power of the Supreme Court. This will destroy the system of checks and balances finely structured in the 1987 Constitution among the Executive, Legislative, and Judicial branches.*

³⁵ 528 Phil. 473, 506 (2006).

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Clearly, the President's constitutional power of control over all the executive departments, bureaus[,] and offices cannot be curtailed or diminished by law. "*Since the Constitution has given the President the power of control, with all its awesome implications, it is the Constitution alone which can curtail such power.*" This constitutional power of control of the President cannot be diminished by the CTA. Thus, if two executive offices or agencies cannot agree, it is only proper and logical that the President, as the sole Executive who under the Constitution has control over both offices or agencies in dispute, should resolve the dispute instead of the courts. *The judiciary should not intrude in this executive function of determining which is correct between the opposing government offices or agencies, which are both under the sole control of the President.* Under his constitutional power of control, the President decides the dispute between the two executive offices. The judiciary cannot substitute its decision over that of the President. **Only after the President has decided or settled the dispute can the courts' jurisdiction be invoked. Until such time, the judiciary should not interfere since the issue is not yet ripe for judicial adjudication. Otherwise, the judiciary would infringe on the President's exercise of his constitutional power of control over all the executive departments, bureaus, and offices.**³⁶ (Emphases and italics supplied)

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Indubitably, this prohibition against legislative and judicial intrusions is hinged on the doctrine of separation of powers. Under this doctrine, each department of the government has exclusive cognizance of matters within its jurisdiction, and is supreme within its own sphere,³⁷ subject to checks and balances.

Only when there is an **actual case or controversy** may the jurisdiction of the courts be invoked. This requirement goes into the nature of the judiciary as a co-equal branch of government. It is bound by the doctrine of separation of powers and will not rule on any matter or cause the invalidation of any act, law, or regulation if there is no actual or sufficiently imminent breach of or injury to a right. The courts interpret laws, but the ambiguities may only be clarified in an actual case or controversy.³⁸

There is an actual case or controversy if there is a "conflict of legal right, opposite legal claims susceptible of judicial resolution."³⁹ There must be a real and substantial controversy, with definite and concrete issues involving the legal relations of the parties, **and admitting of specific relief that courts can grant.**⁴⁰

³⁶ Supra note 30 at 998.

³⁷ See *Angara v. Electoral Commission*, 63 Phil. 139, 156 (1936).

³⁸ See *KMU v. Aquino*, G.R. No. 210500, April 2, 2019.

³⁹ *Id.*, citing *David v. Macapagal-Arroyo*, 522 Phil. 705, 753 (2006).

⁴⁰ *Id.*

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To repeat, the Court of Appeals here directed the OSG to review and reinvestigate the issuance of OCT No. 0-440 for possible reversion proceedings. But again, whether to investigate possible reversion cases or file reversion proceedings are pure matters of **executive prerogative** which the Court cannot encroach. It is a **discretionary** power which inheres in the office of the Chief Executive, the exercise of which, where the laws are silent, is guided only by the officer's sense of public interest.

Otherwise stated, there appears to be no actual case or controversy here as the courts do not have the authority to grant the relief sought by respondent, lest the courts violate the doctrine of separation of powers and the President's constitutional power of control over all executive departments, bureaus and offices under Section 17, Article VII of the Constitution and reproduced under Section 1, Chapter 1, Title I, Book III of the Administrative Code.⁴¹

At any rate, the Court cannot possibly direct the OSG to conduct its own investigation on the merits of respondent's claim. Certainly, the knowledge and expertise on the technical aspect of reversion belong to the LMB and the DENR, not the OSG.

Lest it be misunderstood, though, we are not ruling here that *San Mauricio* indeed bars reversion proceedings over the subject property. We, too, are declining to rule on whether OCT No. 0-440 was fraudulently issued. We shall reserve our discussions thereon when an actual case for reversion over the subject property has been filed. All we are saying is that the Court ought not to interfere with the President's prerogative to file a reversion case or not, as here.

ACCORDINGLY, the petition is **GRANTED**. The Decision dated July 3, 2015 and Resolution dated May 12, 2016 of the Court of Appeals in CA-G.R. SP No. 130895 are **REVERSED** and **SET ASIDE**.

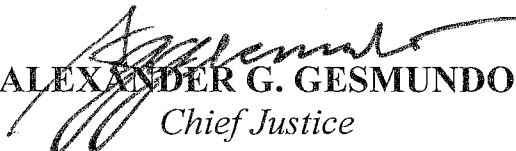
The Decision dated May 13, 2011 and Resolution dated May 22, 2013 of the Office of the President dismissing the appeal docketed as O.P. Case No. 09-H-422, as well as the Decision dated February 12, 2008 and Order dated July 31, 2009 of the Department of Environment and Natural Resources are **REINSTATED**.

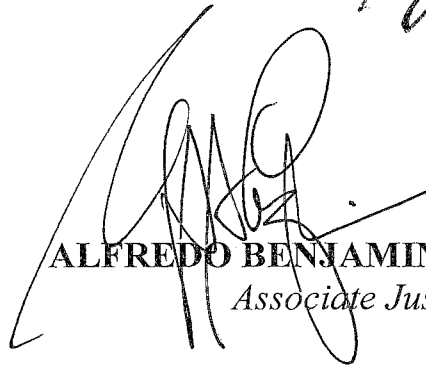
SO ORDERED.


AMY C. LAZARO-JAVIER
Associate Justice

⁴¹ Section 1. *Power of Control*. - The President shall have control of all the executive departments, bureaus, and offices. He shall ensure that the laws be faithfully executed.

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

(on official leave)
MARIO V. LOPEZ
Associate Justice


JHOSEP V. LOPEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice

